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LETTER DATED 13 JUNE 1997 FROM THE PERMANENT REPRESENTATIVE OF CROATIA TO THE UNITED NATIONS ADDRESSED TO THE PRESIDENT OF THE SECURITY COUNCIL

I have the honour to enclose herewith the text of a letter dated 13 June 1997 from the Deputy Prime Minister and Minister for Foreign Affaires of the Republic of Croatia, Mr. Mate Granić, addressed to you (annex I), as well as a report on the results achieved to date in peaceful reintegration and restoration of the constitutional and legal order of the Republic of Croatia in the territories of the counties of Osijek-Baranja and Vukovar-Srijem currently administered by United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium (UNTAES) (annex II).

I should kindly request your assistance in circulating the present letter and its annexes as a document of the Security Council.

(Signed) Ivan ŠIMONOVIĆ
Ambassador
Permanent Representative

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Annex I

Letter dated 13 June 1997 from the Deputy Prime Minister and Minister for Foreign Affairs of Croatia addressed to the President of the Security Council

In view of the forthcoming deliberations by the Security Council of the United Nations on the report of the Secretary-General on the situation in the Croatian Danube area and the future engagement and the presence of the United Nations therein, I have the honour to express herewith the views of the Government of the Republic of Croatia.

The peaceful reintegration of the Croatian Danube area has reached a stage that is final and irrevocable. Its positive effects will be far-reaching for the territorial integrity of the Republic of Croatia, but equally for the overall peace process and stability in the wider region. Its results, which several months ago seemed uncertain, have now confirmed that the political option to attain by peaceful means the reintegration of the last remaining part of Croatian territory not yet under its full control has been fully justified and as such it has proven to be of historic importance.

In this, the cooperation of the international community and the performance of UNTAES, notwithstanding occasional obstacles, have been critical to the success of this United Nations mission. We commend its Transitional Administrator, Ambassador Jacques-Paul Klein and his numerous collaborators, both the courageous military and the dedicated civilian staff. The success of this mission, in fulfilment of the mandate the Security Council has entrusted them with, will also serve broader United Nations objectives and interests.

The military component of UNTAES, headed by Belgian Generals Josef Schoups and Willy Hanset, also deserves the highest praise and special recognition. The main task of the military component, mandated in paragraph 10 (a) of resolution 1037 (1996) of 15 January 1996 was to demilitarize the region. As a prerequisite for all other endeavours, this task was successfully completed on 19 June 1996. The civilian component of UNTAES, which is mandated in paragraph 11 of resolution 1037 (1996), has completed most of its tasks in a timely manner and with high efficiency, aided, when required, by the relevant Croatian authorities.

Allow me, therefore, to reiterate only the most important contributions that the Government of Croatia has made so far to these achievements. The Letter of Intent (S/1997/27, annex), which was critical in the process, created the necessary conditions for the successful holding of elections. Their conduct has been assessed as fair and democratic by international observers, including the Security Council, and the results have proven positive for the political process in the region. The establishment and constitution of the elected local authorities was completed on schedule. The Croatian President and the Government have also proceeded to appoint Serb representatives to the House of Counties of the Parliament and five Assistant Ministers in important government ministries.

Equally, progress was achieved in the field of the reintegration of legal system and commerce: public enterprises are reintegrating their affiliates in the region and employing hundreds of local staff; since 1 June, Croatian legislation is being applied throughout the entire region. The education system is also being integrated, with subjects of special interest for the Serbian community. The Croatian currency has also been fully introduced in the payment system and commerce. Citizenship documents have been issued to over 140,000 persons. The number of documents granted is far above all expectations and, in the view of the Government, this number should be the primary measure of the success of the UNTAES mandate and the best reflection of the intentions of the Government of Croatia vis-à-vis its citizens, including those who have taken up arms against Croatia.

The Transitional Police Force is fully operational in the region; Croatia has offered full employment to 827 Serbian policeman of the Force. The national composition of the police has also been fully agreed upon.

As a further gesture to those who took up arms against Croatia or became affiliated with those who did so, the President of Croatia has on numerous occasions made public overtures of forgiveness and reconciliation.

All these are major steps, consistent and occasionally beyond the commitments the Government made in the Basic Agreement, which have brought about significant changes in the region and prospects for the future. At the same time, the plight of nearly 96,000 non-Serb displaced persons and refugees after six years of hardship, 2,300 missing persons, exhumation of mass graves and major reconstruction efforts in the entire area have also been the responsibility of the Government of Croatia, although of somewhat lesser interest to the international community.

Consistent with the Agreement on the Procedures for Return, signed by Croatia, UNTAES and the United Nations High Commissioner for Refugees (UNHCR), the foundations for the return of refugees and displaced persons from and into the Danube area and other parts of Croatia have been established. The return process will include all those who have so far registered their intent and should be organized in conditions of security and respect for the established procedure, in order to avoid the regrettable incidents of the past. With regard to the returns so far, one should not overlook the fact that Croatia is the only State or party in the region that has recorded a positive net flow of persons who took up arms against it into the territory it controls.

In view of the obvious success of UNTAES so far and the completion of major segments of its mandate, the Government believes that the follow-on United Nations mission in the region should be restructured by taking into account these new realities. The military component of UNTAES should commence a progressive process of disengagement as at 16 July 1997, to be completed within a reasonably short period of time.

The civilian component of the mission should gradually diminish its executive powers and transfer them to the elected authorities. This requires substantial restructuring, with the principal tasks of confidence-building and economic assistance. The Transitional Administrator has on numerous occasions

emphasized the importance of this as a key to the success of the mission. The future civilian component may also provide support and assistance to the new local bodies, monitor and assist in the return of displaced persons and monitor the state of human rights in the region.

The follow-on mission should also facilitate the phasing-in of the Organization for Security and Cooperation in Europe (OSCE) monitoring mission in Croatia. The latter should be expanded and strengthened as soon as practicable, in order to take over the role of monitoring in the region completely on 15 January 1998, when the United Nations mandate in the region ends. The negotiations with OSCE in this respect are continuing and my Government expects them to conclude successfully by the end of June 1997.

At its session of 12 June 1997, my Government decided that the mandate of UNTAES in its present form needed to be concluded on 15 July 1997.

Croatia is agreeable to a future limited and reconstructed presence of United Nations in the Croatian Danube region, as stipulated by the Basic Agreement, and in accordance with resolutions 1037 (1996) and 1079 (1996) of 15 November 1996. The mandate of the follow-on mission should be to complete the transfer of the executive authority from the Transitional Administration to the legally elected authorities immediately after 15 July. The Government attaches greatest importance to the timely, full and unhindered functioning of the elected local authorities in the region. The completion of the reintegration process can best be achieved by respecting the democratic will of the people in the region and showing confidence in the decisions of their elected bodies.

Reiterating our confidence and positive assessment of the results of the reintegration process, which is of vital Croatian national and wider international interest, on behalf of the Government of the Republic of Croatia, I wish to express our expectation that these views will be fully respected in the forthcoming discussions in the Security Council.

(Signed) Mate GRANIĆ

Annex II

Report on the results achieved to date in peaceful reintegration and restoration of the constitutional and legal order of the Republic of Croatia in the territories of the counties of Osijek-Baranja and Vukovar-Srijem, currently administered by the United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium

By the Decision of President of the Republic of 30 April 1997, a State Commission was established for the restoration of the constitutional and legal order of the Republic of Croatia in the territories of the Counties of Osijek-Baranya and Vukovar-Srijem, currently under the UNTAES administration, with a mandate to provide guidance to, adjust and supervise the activities of the state authorities and local, regional and municipal bodies in the restoration of the Croatian constitutional and legal order and the overall social and economic systems in the region, in conjunction with the Transitional UNTAES Administrator. Pursuant to its mandate, the State Commission has compiled this Report on the results achieved to date in peaceful reintegration and restoration of the constitutional and legal order in the Croatian Danube region, as follows:

I. RESTORATION OF THE CONSTITUTIONAL AND ECONOMIC SYSTEMS

1. REASSERTION OF AUTHORITY

The elections for the House of Counties of the Croatian Parliament and for representative bodies of local administration and local government units (counties, towns and municipalities) were held on 13 April 1997 for the first time in the entire territory of the Republic of Croatia. Following these elections, regional assemblies have been constituted for the Counties of Osijek-Baranya and Vukovar-Srijem, city councils and municipal assemblies have been constituted in these Counties, and the presidents of municipal assemblies and city councils, along with the municipal mayors and mayors of the towns of Vukovar, Beli Manastir and Ilok have been elected.

Through such effective electoral system a total of 241 Serbian nationals have been delegated to the representative bodies of the local government units in the territory of the Croatian Danube region: 109 in the territory of the Osijek-Baranya County and 132 in the territory of the Vukovar-Srijem County. The number of ethnic Serbs in the municipal authorities will be commensurate to the outcome of the elections, whereas the number of the required civil servants and employees in the local government units will be subsequently established as required.

Meanwhile, President of the Republic has nominated two deputies of the Serbian national community to the House of Counties of the Croatian Parliament, four ethnic Serbs have been appointed as Assistant Ministers at the Ministries of Education, Culture, Justice and the Interior, while one ethnic Serb has become a high official at the Ministry of Reconstruction

and Development.

2. INTRODUCTION OF THE KUNA AND ESTABLISHMENT OF DOMESTIC PAYMENT OPERATIONS

As of 19 May 1997, Kuna is the only legal means of payment in the entire territory of the Republic of Croatia, and domestic payment operations have been established. In the period from 19 to 21 May 1997, 1075 citizens exchanged YUM money for the Kunas at 32 exchange offices (25 post-offices and 7 branches of the Public Accounting and Auditing Service), i.e., at 65 posts throughout the region. 907 companies filed a request for the conversion. The established domestic payment operations are regular inside the region as well as in dealings with other regions of Croatia.

3. REINTEGRATION OF THE POLICE FORCES

a) Transitional Police Forces

Croatian police forces have been incorporated in the Transitional Police Forces (TPF). The border-crossing with Hungary is under surveillance of the Croatian TPF policemen, whereas all the other check-points (with FRY) are manned by the joint TPF patrols.
Further to the agreement reached with UNTAES, job positions in the police forces have been offered to 827 Serbian TPF policemen who had neither been listed as war criminals nor recorded as perpetrators of criminal acts. Job contracts (effective from 1 June 1997) remain open for signature for 10 days. The proportions of nationalities in the Croatian police forces have also been agreed, and preparatory actions were taken for an integral functioning of the police stations, in line with the Croatian Police Department organizational structure. Under the provisions of the Memorandum of Understanding signed by UNTAES and the Ministry of the Interior, the commanding officer shall be a Croat, while the one in charge of the Sector North (Baranya - Police Administration of the Osijek-Baranya County) shall be a Serb national.

As of 1 June 1997, Croatian legislation and regulations apply to the whole region, hence all police units have been supplied with statutory provisions and appropriate forms.

b) Administrative procedures - issuing of Croatian documents

Between 20 August 1996 and 2 June 1997 the administrative offices in the Croatian Danube region received

- 145,696 applications for issuing certificates of citizenship,
- 45,006 applications to recognize or determine Croatian citizenship,
- 114,231 applications for issuing identity cards,
- 105,660 applications for issuing passports, and

- 37,774 applications for issuing certificates of birth or other vital statistics data

During that period

- 143,438 or 98% requests for issuing certificates of citizenship,
- 44,700 or 99.3% requests for citizenship,
- 113,793 or 99.6% requests for identity cards,
- 105,182 or 99.5% requests for passports, and
- 31,626 or 83% requests for certificates of birth or other vital statistics data

were processed.

A number of the requested documents was never collected, though. Currently 9,255 certificates of citizenship and 9,689 birth certificates are waiting to be collected.

With reference to issuing excerpts from vital statistics it should be pointed out that the registers of citizens in the Croatian Danube region are not yet in the possession of the Croatian authorities. Moreover, a number of registers covering earlier liberated areas of the Republic of Croatia has been either destroyed or alienated.

On 2 June 1997 started the registration of vehicles under the Motor Vehicles Registration Agreement signed between UNTAES and the Croatian Government. In the course of the first three days technical check-ups were performed on 222 vehicles. Because of a keen interest in obtaining driving licenses, as shown by the local population, negotiations have started with UNTAES to the effect of their issuing.

In February 1997, a hot line was introduced to provide information about citizens requests. Out of the total of 1,505 clarification requests and complaints made on the hot-line, 1,423 have been answered so far. 1,082 clarification requests were filed with the Ministry of Public Administration, out of which 1,040 requests have been answered to date.

4. REINTEGRATION OF THE JUDICIARY

Under the Agreement reached on 15 May 1997, General J. P. Klein passed a formal Decision on the Application of the Croatian legislation in the territory of the Croatian Danube Region, implying the implementation of the constitutional and statutory provisions as well as the provisions of international agreements and other regulations. Thus, as of 1 June 1997, the judicial bodies in the region administer justice applying Croatian legislation to each new case They are remunerated under adequate Croatian regulations.
Pursuant to the above Agreement, on 29 May 1997 the Ministry of Justice announced vacancies in the courts of the region. Job applications are awaited.
Listing of attorneys-at-law in the region is also underway, should they wish to join the Croatian Bar Association. Subsequent registration with the Bar Council, with the details to be arranged, are expected to follow.

As for the General Amnesty Act and the publicized War Criminals List, the Osijek Public Attorney's Office and County Court have been given a green light to proceed, while anyone who allegedly had not committed a war crime shall be allowed to take part in the proceedings. Anyone on the War Criminals List shall be entitled to become acquainted with the factual description of the offences charged with, in accordance with the Croatian regulations. A joint group made up of the Croatian judiciaries and the representatives of the local judiciary has been entrusted with carrying out these tasks. Competent courts and public attorneys' offices, in conjunction with the Croatian Ministry of the Interior shall refrain from detaining the persons for whom arrest warrants have been issued, until such time when it has been ascertained beyond doubt that the Amnesty Act does not apply to the person in question. Data processed so far show that the Amnesty Act has by now been applied to 11,668 persons living in the region.

A Memorandum of Understanding is about to be signed concerning mutual rights and obligations in respect of the reintegration of the local judiciary into the judiciary of the Republic of Croatia. A total of 195 employees will be considered for incorporation under this Memorandum.

5. REINTEGRATION OF EDUCATION

On the basis of the statement by the Croatian Government and UNTAES on the recognition of school certificates from the Danube region in the period from 1991/92 to 1996/97, the procedure for the recognition (recognition of school reports and certificates, distribution of textbooks free of charge to pupils in elementary schools) has been established, as well as for the integration of the school system into the school system of the Republic of Croatia. Agreement has been reached and parametars are being established according to which contents of special relevance to the members of the Serb community will be included in individual subjects provided in the Croatian curricula (mother tongue, geography, music, art). Further to this statement, work contracts were offered to 1,387 school employees in the Danube region in the part of Osijek-Baranja County and Vukovar-Srijem County (419 permanent contracts and 201 provisional contracts), of which 914 provisional contracts.

6. REINTEGRATION OF HEALTH CARE AND INSURANCE

Pursuant to the signed reintegration Agreement of health care and insurance, and in conformity with the Croatian laws, the financing of the Vukovar hospital and the Beli Manastir Medical Center will start, as well as assuming responsibility for operating and other costs related to providing adequate health care on the territory of the Danube region. Since all the necessary conditions have not been fulfilled yet, work contracts have not been offered yet to the employees of the health care institutions in the Danube region.
On the territory of the Danube region there are 24,922 health insurance beneficiaries. By getting a health insurance card, they obtained the status of the insured of the Croatian Social Security Institute and can benefit from the health care under laws and by-laws of the Republic of Croatia. In 1996 and 1997, health care costs were covered (out patient clinics and hospitalization) for 460 persons from the territory of the Danube region amounting to 2,907,234 kunas.

7. REINTEGRATION OF PENSION AND DISABILTY INSURANCE AND SOCIAL WELFARE

On the basis of the Agreement on the organization of local service and branch office of the National Pension and Disability Insurance Fund in parts of the Vukovar-Srijem and Osijek-Baranja counties, the reintegration of the pension and disability insurance system is underway. Until 10 June 1997, some 8,300 applications for resuming the payment of pensions, by the beneficiaries who were entitled to pension until 1991 have been received. So far, 6,389 demands have been processed. It is estimated that there are still some 4,000 beneficiaries who meet all the necessary requirements to apply for the pension payment. From 1992 to now, pensions and other benefits from the pension insurance amounting to 52,823,500 kunas have been paid to retired persons residing in the Croatian Danube region or to members of their families, as well as related to the "Darda" pilot project, by advance payment of 500 kunas, and through resuming of payment to beneficiaries who registered with the local service in Osijek durig the last few months.
According to this Agreement, a new organi. ation of the National Pension and Disability Insurance Fund will be established on the territory of the Danube region by opening the local service in Vukovar with branch offices in Ilok, Vinkovci and Županja and a local service in Osijek with the branch office in Beli Manastir.
Further to the Croatian Government statement of 16 December 1996 and Appendix to the Statement of 14 February, work contracts will be offered to all employees within the pension and disability insurance system on the territory of the Danube region. It is estimated that there are 41 personnel in the services of the pension and disability insurance on the territory of the Danube region. All jobs concerning the establishment of the new organization ought to be done in accordance with the Agreement, within a month from the date of signing the Agreement. In the Danube region, there are two social security centers (Beli Manastir and Vukovar), and houses for retired persons in Beli Manastir and Šarengrad. There are some 20 personnel in these social security institutions who have not been offered work contracts yet, because all the necessary conditions have not been fulfilled.

8. REINTEGRATION OF PUBLIC COMPANIES

Numerous meetings and talks of the joint Implementation Committees and expert groups held during the past years resulted in gradual completion of reintegration and new reintroduction into the economic and legal systems of parts of large public companies on the territory of the Croatian Danube region.

- CROATIAN POST OFFICE AND TELECOMMUNICATIONS

In its activities on the territory of the Danube region, the Post Office and Telecommunications established postal (letters and postal parcels) and telecommunications systems. Thus, reintegration into the system of the Republic of Croatia and international communications has been carried out, and the Croatian Post Office and Telecommunication assumed full responsibility for postal services and telecommunications on the territory. In March 1997, base stations for the mobile GSM phone system have been put in operation, integrating this territory into the CRONET phone system.
Contracts with former staff members of "JP PTT" have been signed and so far 395 persons of

a total of 401 persons signed the work contracts offered.

- OIL INDUSTRY

Within the revitalisation of oil fields, 47 oil wells and 2 water-drill wells have been put into operation, enabling the employment of 65 personnel of Serb ethnic origin. Along with 52 Croatian personnel, there are 117 personnel on work-sites.
In the activities of reconstruction and revitalisation of oil wells carried out so far, the INA oil company spent 28,883,440 kunas out of its own funds.
Long-term negotiations on taking over petrol stations on the territory of the Danube region resulted in taking over 4 petrol stations (Bilje, Bruž, Mikluševci, Nijemci), whereas the takeover of the remaining 38 petrol stations is bein negotiated. Negotiations have so far related to taking over of 497 employees, of whom 377 applied for job.

- CROATIAN FOREST MANAGEMENT COMPANY

The signing of the Agreement on the reintegration of the forest management is in its final phase, which is to reintegrate enterprises from the Danube region into the system of the Croatian Forests Management Company. Further to this Agreement, it is expected that some 404 employees are to be taken over.

- CROATIAN WATER MANAGEMENT COMPANY

By signing the Agreement on the reintegration of water management into the system of the Croatian Water Management Company - Zagreb, reintegration of the water management has been accomplished, reconstruction of the drainage system on the territory of Baranja have been started and the agreement has been signed on taking over 75 employees in the water management company in the Danube region. All these employees signed work contracts with the Croatian Water Management Company.
Total investments for the reconstruction of water and economic management facilities on this territory have amounted to 8,700,000 kunas so far.

- CROATAN RAILWAYS

The Croatian Railways have fully taken over on all railway lines in the Croatian Danube region based on the Letter of Agreement, so that traffic flows on the Vinkovci-Tovarnik and Beli Manastir-Darda lines, while the Osijek-Beli Manastir, Vinkovci-Drenovci, and Vinkovci-Borovo-Vukovar-(Erdut) lines are under reconstruction.
564 people have been employed, with 5 management positions offered to employees from the Croatian Danube region.

- CROATIAN POWER MANAGEMENT COMPANY

Pursuant to the Declaration on Maintenance and Power Supply about to be signed maintenance and stable power supply of the whole Croatian Danube region will be established, for which purpose a special operative plan will be prepared. There are 235 employees from this region who will be offered employment contracts. Two management positions in the distribution areas have

also been offered to the members of the Serb national minority from the Croatian Danube region.

- CROATIAN ROAD MANAGEMENT COMPANY

The Croatian Road Management Company has undertaken emergency remounting of traffic signs and maintenance of bridges, and has carried out all preparations for the rehabilitation of road facilities and roads in the Croatian Danube region.
Employment contracts have been offered to 21 employee from the Croatian Danube region, of whom nine have signed the contracts.

9. ECONOMY AND FINANCE

In order to successfully carry out the autumn sowing in 1996 and 1997 the sowing of wheat, sugar beet, sunflower, soy, maize and other crops in the Croatian Danube region has been financed through the Ministry of Economy, while the agricultural companies have been granted loans in commodities.

Within the projects of the economic system revitalisation preparations are underway to unite company managements, assess the war damage and privatise socially owned companies. 31 company has applied for registration with the Osijek Business Court. Registered companies have already resumed their business, and some companies form the Croatian Danube region also engage in rebuilding homes financed by the Ministry of Development and Reconstruction. The employees of the Ministry of Finance have begun to train personnel for the application of the customs and tax regulations. An Agreement on Accepting the Current Employees within the Customs Authority of the Republic of Croatia (139 persons will be offered employment). Toward the end of June 1997 the border crossing customs offices and customs offices in the interior of the country start to operate under the Croatian customs regulations, with customs officers in the official Croatian customs uniforms. There are 5 border crossings.

10. REBUILDING OF HOMES

The first contracts have been signed for rebuilding family houses and apartments in the settlements included in the pilot project where the war damage has been assessed (Antunovac, Ernestinovo, Lipovac, Apševci, Podgrađe, Nijemci, Donje Novo Selo, Cerić, outskirts of Vinkovci). This programme includes 2,543 family houses with different levels of damages sustained, of which 1,876 houses are already under construction, with 514 of them ready to accommodate their owners.
The preparations for recording and assessing the war damage have also begun in Bilje, Marinci, Bogdanovci, and the town of Vukovar itself.
There has also begun the programme for the rebuilding of apartment houses in Vukovar with 2,011 apartments; the rebuilding of 500 of them is to be arranged by the UNTAES and the European Commission, while 1,511 will be rebuilt by the Ministry of Development and Reconstruction. 456,000,000 kunas have been spent on these projects so far.
In all settlements included in the reconstruction of family houses and apartments the schools and churches will also be rebuilt. Two schools are already under reconstruction (Lipovac, Apševci), while project documentation is being completed for another 4 schools. The school in Antunovac is being rebuilt with the UNHCR funding. The church in Lipovac has been included in the reconstruction programme of the Croatian Episcopal Conference. 2,200,000 kn have been spent on the schools and churches reconstruction programme so far.

11. AREA PLANNING ACTIVITIES

The Ministry of Area Planning, Construction and Housing has performed a number of activities for the purpose of area planning in the area of the Croatian Danube region. The Basis for Area Use and Protection documents have been prepared for the former municipalities of Beli Manastir, Osijek, Vinkovci and Vukovar, with a number of documents prepared within the Reconstruction and Development Zoning Plans for the towns of Vukovar and Ilok, and the settlements of Bogdanovci, Lovas, Tompojevci and Tovarnik. The Zoning Plans for the Osijek-Baranja and Vukovar-Srijem Counties have been completed, while the National Area Planning Policy also includes the Croatian Danube region.

12. MINE CLEARING

To date, mine clearing has included 65,596,770 m^2 (more than 3,200 buildings), with 138,421 m^3 of different construction and other waste removed. An average of 649 persons were engaged in mine clearing, with 152 different engineering machines and aids. The following places have been cleared of land mines; Apševci, Lipovac, Podgrade, Cerić, Donje Novo Selo, Nijemci, Antunovac; together with the local companies from the Croatian Danube region Kopačevo, Bilje, Ernestinovo and Divoš have also been cleared, as well as the Vinkovci-Vukovar railway line and the Vinkovci-Vukovar power grid. A number of mine-clearing activities have been undertaken in order to provide working conditions for public utilities - a total of 935,120 m^2 surface area.

During the last year 65,912,322 kunas have been spent on these mine-clearing activities in the Croatian Danube region.

II. RETURN OF DISPLACED PERSONS

The Agreement of the Working Group dealing with the return of displaced persons signed on 23 April 1997 by the representatives of the Croatian Government, UNTAES and UNHCR, provides for a two-way return to and from the Croatian Danube region i.e. of both displaced persons to the Croatian Danube region and the displaced Serbs from the Croatian Danube region who fled from other areas within Croatia. There are 80,785 displaced persons from the Croatian Danube region on the record who have been accommodated elsewhere in Croatia. The return of these persons to the Croatian Danube region has already been initiated. Based on the information obtained from the UNTAES more than 1,000 persons have permanently returned to the Croatian Danube region through sponsored visits. Certificates are being issued for the return of 71 family (213 members).

After signing the Agreement on Return, and even prior to signing the agreement and its implementation, the return of the Croatian citizens from the Croatian Danube region to other areas of the Republic of Croatia began, especially at the end of 1996 and the beginning of 1997. These persons return on the basis of valid Croatian documents issued in the Croatian Danube region From the end of April until the beginning of June the regional offices for displaced persons and refugees in the Osijek -Baranja and Vukovar-Srijem counties have recorded a total

of 4,839 families with 10,445 members. Of this number 486 families with 1,199 members do not live in the Croatian Danube region but in the FRY. Of the aforementioned total number 2,694 families with 4,623 members have applied for the return, while 1,532 families with 4,342 members do not want to return to their previous place of residence.
Under the provisions of the Return Agreement and the completed registration of return applications, by 9 June 1997 there were 93 return certificates issued to 186 persons from the Croatian Danube region. On the basis of such certificates 16 persons from the Croatian Danube region have returned to their previous places of residence. Return priorities concern families and persons whose houses are vacant, as well as persons who apply for family reunion. As for other applications by persons whose houses are occupied or damaged, such persons will be offered provisional accommodation with their relatives and families, or accommodation arranged by the Office for Displaced Persons and Refugees or the Ministry of Development and Reconstruction, until their houses are vacated or rebuilt.
According to the information of the Ministry of Development and Reconstruction over the last several months some 15,000 Serbs returned to Croatia independently of the Agreement.

The reports by the ministries and other government agencies and public companies clearly show that all did their best to respect agreements and deadlines reached between the Government of the Republic of Croatia and the competent authorities of the Republic of Croatia on one hand and the UNTAES on the other hand.

Appendix I

REQUESTS FILED AT LOCAL BRANCHES OF THE REGIONAL OFFICE FOR REFUGEES IN THE TERRITORY OF THE CROATIAN DANUBE REGION
23 April to 6 June 1997

	Families	Family members
I WISHING TO RETURN TO DOMICILE 2694	4623	
a) family reunification	203	376
b) return home		
- vacant	440	952
- damaged	677	1294
- inhabited	920	2040
* staying with the family	537	1367
* staying in accommodation of the Office for Displaced Persons and Refugees/Ministry of Reconstruction and Development	403	737
II NOT WISHING TO RETURN	532	4342
a) remaining in the Danube region	620	1128
b) leaving the Republic of Croatia	1531	2655
c) moving elsewhere	279	612
III NOT YET DECIDED	127	281
IV RESIDENCE IN THE FRY	486	1199
TOTAL	4839	10445

Appendix II

EMPLOYMENT OF THE MEMBERS OF THE SERB NATIONAL MINORITY FROM THE CROATIAN DANUBE REGION

		EMPLOYED	OFFERED CONTRACTS
1.	Ministry of Education	-	1,387
2.	Ministry of the Interior	-	827
3.	Croatian Post and Telecommunications	395	401
4.	Croatian Railways	564	-
5.	Croatian Water Management Company	75	-
6.	Croatian Power Management Company	-	235
7.	Croatian Road Management Company	9	21
8.	INA-Oil Company	65	-

Appendix III

CROATIAN PUBLIC COMPANIES INVESTMENTS

The reconstruction, rehabilitation and establishment of certain functions in the Croatian Danube region have been financed by the public companies' own funds as follows:

1. Croatian Water Management Company - reconstruction of watermanagement infrastructure (pumping stations, flood protection)		8,700,000 kn
2. Croatian Post and Telecommunications - rehabilitation of telecommunications		6,000,000 kn
3. Croatian Railways - railways repair		35,900,000 kn
4. Croatian Power Management Company - network reconstruction in the pilot project settlements		27,700,00 kn
5. Croatian Road Management Company - remounting of traffic signs and rehabilitation of bridges		892,000 kn
6. INA-Oil Company - oil fields and petrol stations	ca.	50,000,000 kn
7. Croatian Broadcasting Company		2,000,000 kn
8. Croatian Woods Management Company - Lipovac		2,000,000 kn
TOTAL:		133,192,000 kn